

Senate Bill 783 creates a one-year, partial sales tax exemption for the purchase of production related tangible personal property. The Department of Revenue will administer the new exemption in a unique way because

- The exemption is retroactive to July 1, and runs through June 30, 2008.
- The total value of all exemptions for the period can not exceed \$10 million, to be prorated among all taxpayers claiming the exemption.

The Department of Revenue plans to administer this new law on a claim basis after the close of the exemption period. The department will develop forms upon which the purchaser, with the certification of the seller, can make claims during a period after June 30. Claims will be prorated to remain within the \$10 million statutory maximum.

**Retailers are advised that they can not claim this new exemption on their ST-1 Sales and Use Tax Returns and must collect tax from purchasers at the time of sale.**

[Emergency Rules Part 130.330](#)

[Emergency Rules Part 150.340](#)